

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

**ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY**

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W-03515A  
Tonto Basin Water Co., Inc.  
%Brooke Utilities, Inc.  
P.O. Box 82218  
Bakersfield CA 93380

RECEIVED

MAY 03 2005

AZ Corporation Commission  
Director Of Utilities

**ANNUAL REPORT**

**FOR YEAR ENDING**

12	31	2004
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FOR COMMISSION USE

ANN04	04
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## COMPANY INFORMATION

**Company Name (Business Name):** Tonto Basin Water Company, Inc.

**Mailing Address:** P.O. Box 82218  
(Street)

Bakersfield CA 93380  
(City) (State) (Zip)

800-270-6084 or 661-633-7546 800-748-6981  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

**Email Address:** customerservice@scwater.com or mistiej@brookeutilities.com

**Local Office Mailing Address:** 1010 South Stover Road

Payson AZ 85541  
(City) (State) (Zip)

928-474-8130 928-474-1695  
Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

## MANAGEMENT INFORMATION

**Management Contact:** Robert T. Hardcastle President  
(Name) (Title)

P.O. Box 82218 Bakersfield CA 93380  
(Street) (City) (State) (Zip)

661-633-7526 800-748-6981  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

**Email Address:** rth@brookeutilities.com

**On Site Manager:** Dean Shaffer  
(Name)

1010 South Stover Road Payson AZ 93380  
(Street) (City) (State) (Zip)

928-474-8130 928-474-1695  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

**Email Address:** deans@brookeutilities.com

☐ Please mark this box if the above address(es) have changes or are updated since the last filing.

**Statutory Agent:** Robert T. Hardcastle  
(Name)

P.O. Box 82218  
(Street)

Bakersfield  
(City)

CA  
(State)

93380  
(Zip)

661-633-7526  
Telephone No. (Include Area Code)

800-748-6981  
Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Attorney:** Jay Shapiro W/ Fennmore Craig  
(Name)

3003 N. Central Ave., Ste. 2600  
(Street)

Phoenix  
(City)

AZ  
(State)

85012  
(Zip)

602-916-5000  
Telephone No. (Include Area Code)

602-916-5566  
Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

- |  |  |
|--|--|
| <input type="checkbox"/> Sole Proprietor (S) | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P)     | <input type="checkbox"/> Subchapter S Corporation (Z)                                |
| <input type="checkbox"/> Bankruptcy (B)      | <input type="checkbox"/> Association/Co-op (A)                                       |
| <input type="checkbox"/> Receivership (R)    | <input type="checkbox"/> Limited Liability Company                                   |
| <input type="checkbox"/> Other (Describe)    |  |

### COUNTIES SERVED

Check the box for the county/ies in which you are certified to provide service:

<input type="checkbox"/> APACHE	<input type="checkbox"/> COCHISE	<input type="checkbox"/> COCONINO
<input checked="" type="checkbox"/> GILA	<input type="checkbox"/> GRAHAM	<input type="checkbox"/> GREENLEE
<input type="checkbox"/> LA PAZ	<input type="checkbox"/> MARICOPA	<input type="checkbox"/> MOHAVE
<input type="checkbox"/> NAVAJO	<input type="checkbox"/> PIMA	<input type="checkbox"/> PINAL
<input type="checkbox"/> SANTA CRUZ	<input type="checkbox"/> YAVAPAI	<input type="checkbox"/> YUMA
<input type="checkbox"/> STATEWIDE		

**COMPANY NAME: TONTO BASIN WATER COMPANY, INC**

**UTILITY PLANT IN SERVICE**

<b>Acct. No.</b>	<b>DESCRIPTION</b>	<b>Original Cost (OC)</b>	<b>Accumulated Depreciation (AD)</b>	<b>O.C.L.D (OC less AD)</b>
301	Organization			
302	Franchises			
303	Land and Land Rights	5,241	3,636	1,605
304	Structures and Improvements	55,305	37,978	17,327
307	Wells and Springs	93,873	63,972	29,900
311	Pumping Equipment	73,060	25,766	47,294
320	Water Treatment Equipment	5,064	1,078	3,986
330	Distribution Reservoirs and Standpipes	87,430	47,376	40,054
331	Transmission and Distribution Mains	168,829	94,734	74,095
333	Services	27,235	18,896	8,339
334	Meters and Meter Installations	84,428	22,526	61,902
335	Hydrants	453	116	337
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	116,804	81,039	35,765
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment	1,936	381	1,554
346	Communication Equipment	2,209	54	2,156
347	Miscellaneous Equipment			
348	Other Tangible Plant	141	22	119
	<b>TOTALS</b>	<b>722,008</b>	<b>397,575</b>	<b>324,432</b>

This amount goes on the Balance Sheet Acct. No.108

**COMPANY NAME: TONTO BASIN WATER COMPANY, INC**

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

<b>Acct. No.</b>	<b>DESCRIPTION</b>	<b>Original Cost (1)</b>	<b>Depreciation Percentage (2)</b>	<b>Depreciation Expense (1x2)</b>
301	Organization			
302	Franchises			
303	Land and Land Rights	5,241	3.21%	168
304	Structures and Improvements	55,305	3.20%	1,770
307	Wells and Springs	93,873	3.20%	3,004
311	Pumping Equipment	73,060	3.05%	2,228
320	Water Treatment Equipment	5,064	2.90%	147
330	Distribution Reservoirs and Standpipes	87,430	3.16%	2,765
331	Transmission and Distribution Mains	168,829	3.20%	5,403
333	Services	27,235	3.20%	871
334	Meters and Meter Installations	84,428	2.93%	2,473
335	Hydrants	453	3.09%	14
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	116,804	3.20%	3,738
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment	1,936	3.20%	62
346	Communication Equipment	2,209	1.99%	44
347	Miscellaneous Equipment			
348	Other Tangible Plant	141	3.55%	5
	<b>TOTALS</b>	<b>722,008</b>	<b>3.14%</b>	<b>22,692</b>

This amount goes on Comparative Statement of Income and Expense  
Acct. No.403.

**COMPANY NAME: TONTO BASIN WATER COMPANY, INC**

**BALANCE SHEET**

<b>Acct. No.</b>	<b>ASSETS</b>	<b>BALANCE AT BEGINNING OF YEAR</b>	<b>BALANCE AT END OF YEAR</b>
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ -	\$ -
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	5,067	4,890
146	Notes/Receivables from Associated Company		
151	Plant Materials and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	(83)	(83)
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	<b>\$ 4,984</b>	<b>\$ 4,807</b>
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 696,267	\$ 722,008
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation - Utility Plant	(374,883)	(397,575)
121	Not-Utility Property		
122	Accumulated Depreciation - Non Utility		
	<b>TOTAL FIXED ASSETS</b>	<b>\$ 321,384</b>	<b>\$ 324,432</b>
	<b>DEFERRED INCOME TAX DEBITS</b>	<b>\$ 103,000</b>	<b>\$ 103,000</b>
	<b>TOTAL ASSETS</b>	<b>\$ 429,368</b>	<b>\$ 432,239</b>

**NOTE:** The Assets on this page should be equal to **Total Liabilities & Capital** on the following page.

**COMPANY NAME: TONTO BASIN WATER COMPANY, INC**

**BALANCE SHEET (CONTINUED)**

<b>Acct. No.</b>	<b>LIABILITIES</b>	<b>BALANCE AT BEGINNING OF YEAR</b>	<b>BALANCE AT END OF YEAR</b>
	<b>CURRENT LIABILITIES</b>		
231	Accounts Payable	\$ 4,963	\$ 5,934
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Company	(145,150)	(178,442)
235	Customer Deposits	16,477	18,037
236	Accrued Taxes	7,377	8,141
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	16,979	16,979
	<b>TOTAL CURRENT LIABILITIES</b>	<b>\$ (99,355)</b>	<b>\$ (129,351)</b>
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-term Notes and Bonds	\$ 14,757	\$ 4,062
	<b>Deferred Credits</b>		
251	Unamortized Premium on Debt		
	Refundable Meter Advances	\$ 51,183	\$ 53,605
252	Advances in Aid of Construction	4,152	2,228
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	82,981	82,981
272	Less: Amortization of Contributions	(35,716)	(38,371)
281	Accumulated Deferred Income Taxes		
	<b>TOTAL DEFERRED CREDITS</b>	<b>\$ 102,600</b>	<b>\$ 100,444</b>
	<b>TOTAL LIABILITIES</b>	<b>\$ 18,003</b>	<b>\$ (24,845)</b>
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$ 276,219	\$ 276,219
211	Paid In Capital in Excess of Par Value	79,748	79,748
215	Retained Earnings	55,398	101,117
218	Proprietary Capital (Sole Props & Partnerships)		
	<b>TOTAL CAPITAL</b>	<b>\$ 411,365</b>	<b>\$ 457,084</b>
	<b>TOTAL LIABILITIES AND CAPITAL</b>	<b>\$ 429,368</b>	<b>\$ 432,239</b>

**COMPANY NAME: TONTO BASIN WATER COMPANY, INC**

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

<b>Acct. No.</b>	<b>OPERATING REVENUES</b>	<b>PRIOR YEAR</b>	<b>CURRENT YEAR</b>
461	Metered Water Revenue	\$ 260,384	\$ 272,986
460	Unmetered Water Revenue		
474	Other Water Revenues	4,443	5,906
	<b>TOTAL REVENUES</b>	<b>\$ 264,826</b>	<b>\$ 278,892</b>
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$ 45,307	\$ 58,973
610	Purchased Water		
615	Purchased Power	19,349	19,857
618	Chemicals	3,138	3,455
620	Repairs & Maintenance	8,643	4,313
621	Office Supplies and Expense	23	-
630	Outside Services	43,006	47,583
635	Water Testing	4,684	5,244
641	Rents		
650	Transportation Expenses	3,005	3,622
657	Insurance - General Liability		
659	Insurance - Health and Life	4,773	4,659
666	Regulatory Commission Expense - Rate Case		
675	Miscellaneous Expense	25,270	30,084
403	Depreciation Expense	21,569	22,692
408	Taxes Other Than Income	16,510	17,289
408.11	Property Taxes	12,826	13,608
409	Income Tax		
	<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 208,102</b>	<b>\$ 231,380</b>
	<b>OPERATING INCOME/(LOSS)</b>	<b>\$ 56,724</b>	<b>\$ 47,513</b>
	<b>OTHER INCOME/EXPENSE</b>		
419	Interest and Dividend Income	\$ -	\$ -
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	(2,671)	(1,793)
	<b>TOTAL OTHER INCOME/EXPENSE</b>	<b>\$ (2,671)</b>	<b>\$ (1,793)</b>
	<b>NET INCOME/(LOSS)</b>	<b>\$ 54,053</b>	<b>\$ 45,719</b>



**COMPANY NAME: TONTO BASIN WATER COMPANY, INC**

**SUPPLEMENTAL FINANCIAL DATA**

**Long-Term Debt**

	LOAN # 1	LOAN # 2	LOAN # 3	LOAN # 4
Date Issued	5/1/2000			
Source of Loan	Brooke Utilities			
ACC Decision No.	62401			
Reason for loan	see below			
Dollar Amount Issued	\$ 45,900			
Amount Outstanding	\$ 4,062			
Date of Maturity	4/30/2005			
Interest Rate	10%			
Current Year Interest	\$ 1,008			
Current Year Principal	\$ 10,695			

Meter Deposit Balance at Test Year End                      \$ 53,605

Meter Deposits Refunded During the Test Year                      \$ 8,328

The purpose of the loan was to finance capital expenditure project to improve water system infrastructures.

**COMPANY NAME:** Tonto Basin Water Co., Inc.

## WATER COMPANY PLANT DESCRIPTION

### WELLS

<b>ADWR* ID No.</b>	<b>Description</b>	<b>Pump HP</b>	<b>Pump Yield (GPM)</b>	<b>Casing Depth (Feet)</b>	<b>Casing Diameter (Inches)</b>	<b>Meter Size (Inches)</b>	<b>Year Drilled</b>	<b>Arsenic Levels (mg/L)</b>
55-631117	LRGW	2.0	34.0	80.0	8"	2"	1970	0.0031
55-631116	RA	1.5	24.0	50.0	8"	1"	1970	0.0031
55-553109	WS	2.0	30.0	50.0	8"	2"	1996	0.0031
55-631111	NBE	1.5	25.0	80.0	8"	2"	1970	<0.001
55-631118	LRGE	2.0	10.0	80.0	8"	2"	1965	0.0014
55-605248	RLE	5.0	96.0	90.0	10"	2"	1960	0.0014
55-527761	RLE	0.75	19.0	80.0	6"	1"	1990	0.0014
55-621331	CF	25.0	100.0	680.0	8"	3"	1959	0.0047
55-621337	CF	5.0	25.0	680.0	8"	2"	1955	0.0047

\* Arizona Department of Water Resources Identification Number

### OTHER WATER SOURCES

<b>Name or Description</b>	<b>Capacity (gpm)</b>	<b>Gallons Purchased or Obtained (in thousands)</b>
None		

<b>BOOSTER PUMPS</b>		<b>FIRE HYDRANTS</b>	
<b>Horsepower</b>	<b>Quantity</b>	<b>Quantity Standard</b>	<b>Quantity Other</b>
5.0	1	7	0
7.5	4		
15.0	2		

<b>STORAGE TANKS</b>		<b>PRESSURE TANKS</b>	
<b>Capacity</b>	<b>Quantity</b>	<b>Capacity</b>	<b>Quantity</b>
10,000 gallons	2	2,000	5
15,000 gallons	1	5,000	1
20,000 gallons	1		
30,000 gallons	2		
40,000 gallons	1		

**Company Name:** Tonto Basin Water Co., Inc.

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

**MAINS**

Size (in inches)	Material	Length (in feet)
1 1/2	Galv.	14,700
2	PVC	3,610
2	AC	450
2	Galv.	20,360
2 1/2	Galv.	1,110
3	PVC	330
3	AC	4,000
3	Galv.	2,200
4	PVC	14,400
4	AC	2,200
6	PVC	26,980
6	AC	3,510

**CUSTOMER METERS**

Size (in inches)	Quantity
5/8 x 3/4"	782
3/4	0
1	11
1 1/2	0
2	5
COMP. 3	0
TURBO 3	1
COMP. 4	0
TURBO 4	1
COMP. 6	0
TURBO 6	0
Total	800

**For the following three items, list the utility owned assets in each category.**

**TREATMENT EQUIPMENT:**

Chlorinators- 4

**STRUCTURES:**

382 L.F. fencing

1 8' x 8' block building

**OTHER:**

None

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2004**  
**PWS Number 04-022**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLONS PUMPED (Thousands)
January	33	75	98
February	37	95	97
March <sup>1</sup>	32	88	95
April	32	126	114
May	33	49	194
June	33	181	U/A <sup>2</sup>
July	34	156	330
August	35	396	337
September	35	187	included in October
October	35	97	362
November	34	129	161
December	34	131	84
<b>Total</b>		<b>1,711</b>	<b>1,872</b>

<sup>1</sup> March 2004 customer consumption estimated due to severe weather and snow cover

<sup>2</sup> Tonto Basin Water improved well reading procedures in June 2004 to ensure well meters were read during the same time period as customer meters. As a result of the transition, actual June 2004 production is combined with both May and July

Is the Water Utility located in an ADWR Active Management Area (AMA)?

(       ) Yes                      ( X ) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

(       ) Yes                      ( X ) No

If yes, provide the GPCPD amount: \_\_\_\_\_

What is the level of arsenic for each well on your system \_\_See page 10\_\_ mg/L  
*(If more than one well, please list each separately)*

*Note: If you are filing for more than one system, please provide separate data sheets for each system.*

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2004**  
**PWS Number 04-036**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLONS PUMPED (Thousands)
January	190	515	557
February	187	604	558
March	185	527	746
April	186	697	783
May	187	765	1,569
June	188	1,664	U/A <sup>1</sup>
July	187	1,342	1,408
August	187	1,681	1,669
September	188	1,270	1,244
October	187	1,029	877
November	186	917	1,010
December <sup>2</sup>	189	1,042	677
Total		12,053	11,098

<sup>1</sup> Tonto Basin Water improved well reading procedures in June 2004 to ensure well meters were read during the same time period as customer meters. As a result of the transition, actual June 2004 production is combined with both May and July.

<sup>2</sup> December 2004 consumption estimated due to severe weather conditions. Actual meter readings obtained in January 2005.

Is the Water Utility located in an ADWR Active Management Area (AMA)?

(        ) Yes                      ( X ) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

(        ) Yes                      ( X ) No

If yes, provide the GPCPD amount: \_\_\_\_\_

What is the level of arsenic for each well on your system \_\_ See page 10 \_\_ mg/L  
*(If more than one well, please list each separately)*

*Note: If you are filing for more than one system, please provide separate data sheets for each system.*

COMPANY NAME: Tonto Basin Water Co., Inc- Lake Roosevelt Gardens West

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2004  
PWS Number 04-047

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLONS PUMPED (Thousands)
January	217	669	845
February	217	847	853
March	221	724	1,232
April	224	1,105	1,395
May	227	1,143	2,021
June	227	1,885	U/A <sup>1</sup>
July	227	1,862	1,933
August	225	2,178	2,344
September	228	1,282	1,425
October	227	1,159	1,240
November	226	1,126	1,424
December <sup>2</sup>	227	1,090	1,065
Total		15,072	15,777

<sup>1</sup> Tonto Basin Water improved well reading procedures in June 2004 to ensure well meters were read during the same time period as customer meters. As a result of the transition, actual June 2004 production is combined with both May and July.

<sup>2</sup> December 2004 consumption estimated due to severe weather conditions. Actual meter readings obtained in January 2005.

Is the Water Utility located in an ADWR Active Management Area (AMA)?

( ) Yes ( X ) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

( ) Yes ( X ) No

If yes, provide the GPCPD amount: \_\_\_\_\_

What is the level of arsenic for each well on your system \_\_ See page 10 \_\_ mg/L  
(If more than one well, please list each separately)

*Note: If you are filing for more than one system, please provide separate data sheets for each system.*

COMPANY NAME: Tonto Basin Water Co., Inc- North Bay Estates

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2004  
PWS Number 04-049

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLONS PUMPED <sup>1</sup> (Thousands)
January	49	162	197
February	48	170	275
March	49	169	355
April	49	253	341
May	50	203	470
June	49	330	U/A <sup>1</sup>
July	50	264	371
August	50	316	456
September	50	353	U/A <sup>3</sup>
October	50	291	692
November	50	230	376
December <sup>2</sup>	49	258	403
Total		2,999	3,936

<sup>1</sup> Tonto Basin Water improved well reading procedures in June 2004 to ensure well meters were read during the same time period as customer meters. As a result of the transition, actual June 2004 production is combined with both May and July.

<sup>2</sup> December 2004 consumption estimated due to severe weather conditions. Actual meter readings obtained in January 2005.

<sup>3</sup> September 2004 production included in report for October 2004 production. Well reading could not be obtained due to impassable creek

Is the Water Utility located in an ADWR Active Management Area (AMA)?  
( ) Yes ( X ) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?  
( ) Yes ( X ) No

If yes, provide the GPCPD amount: \_\_\_\_\_

What is the level of arsenic for each well on your system \_\_See page 10\_\_ mg/L  
(If more than one well, please list each separately)

*Note: If you are filing for more than one system, please provide separate data sheets for each system.*

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2004**  
**PWS Number 11-052**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLONS PUMPED <sup>1</sup> (Thousands)
January	208	2,065	2,560
February	208	1,519	2,561
March	208	1,337	1,034
April	208	2,275	1,471
May	206	1,932	4,083
June	208	2,693	2,809
July	207	3,193	2,901
August	208	2,298	2,809
September	211	2,355	2,902
October	209	2,762	3,442
November	213	1,955	2,182
December <sup>2</sup>	213	1,496	1,885
<b>Total</b>		<b>25,880</b>	<b>30,639</b>

<sup>1</sup> Tonto Basin Water improved well reading procedures in June 2004 to ensure well meters were read during the same time period as customer meters. As a result of the transition, actual June 2004 production is combined with both May and July.

<sup>2</sup> December 2004 consumption estimated due to severe weather conditions. Actual meter readings obtained in January 2005.

Is the Water Utility located in an ADWR Active Management Area (AMA)?  
 (        ) Yes                      ( X ) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?  
 (        ) Yes                      ( X ) No

If yes, provide the GPCPD amount: \_\_\_\_\_

What is the level of arsenic for each well on your system \_\_See page 10\_\_ mg/L  
*(If more than one well, please list each separately)*

*Note: If you are filing for more than one system, please provide separate data sheets for each system.*



COMPANY NAME Tonto Basin Water Company Inc. YEAR ENDING 12/31/2004

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2004 was: \$ 13,211.64

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

212 3088 35376 35377 35378 35390 35391 17882

Tonto Basin Water Company  
P.O. Box 82218  
Bakersfield, CA 93380-2218

BANK OF AMERICA  
1440 TRUXTON AVENUE  
BAKERSFIELD, CA 93301

CHECK NO.

16-66  
1220

\*\*\*\*\* Three Thousand Eight Hundred Sixty-Five and 06/100 \*\*\*\*\*

DATE

AMOUNT

Mar 17 04

\$3,865.06

PAY  
TO THE  
ORDER  
OF

GILA COUNTY TREASURER  
P.O. BOX 1093  
GLOBE, AZ  
85502

*[Signature]*

⑈017882⑈ ⑆122000661⑆ 14769⑈01525⑈ ⑈0000386506⑈

3,865-06  
2,542-43  
5,155-07  
3,865-08

004

13,211-64

03/22/04 LA CA  
122000661 06  
5994 S4E 67100048680  
030637478

BANK ONE, NA  
⑈111901331⑈  
03192004

52230620

MAR 19 04

6014 03600

PAY TO THE ORDER OF  
BANK ONE, ARIZONA  
PHOENIX, ARIZONA  
12210024  
FOR DEPOSIT ONLY  
GILA COUNTY TREASURER  
11804047

Tonto Basin Water Company  
P.O. Box 82218  
Bakersfield, CA 93380-2218

BANK OF AMERICA  
1440 TRUXTUN AVENUE  
BAKERSFIELD, CA 93301

2108686 17884

CHECK NO.

16-66  
1220

\*\*\*\*\* Two Thousand Five Hundred Forty-Two and 43/100 \*\*\*\*\* 2542.43

DATE

AMOUNT

Mar 17 04

\$2,542.43

PAY  
TO THE  
ORDER  
OF

FINAL COUNTY TREASURER  
P.O. BOX 729  
FLORENCE, AZ  
85232-0729



*[Signature]*

⑈017884⑈ ⑆122000661⑆ 14769⑈01525⑈

⑈0000254243⑈

FEDERAL BANKING  
FEDERAL RESERVE REG. CO.

03/25/04 LA, CA  
122000661 06

E2798 S44 67100040600

BANK ONE, N.A.  
1119013314  
03242004

MAR 24 04

6048

Pay to the order of any bank  
Final County Treasurer  
BankOne #1324-8988

62988

Tonto Basin Water Company  
P.O. Box 82218  
Bakersfield, CA 93380-2218

BANK OF AMERICA  
1440 TRUXTON AVENUE  
BAKERSFIELD, CA 93301

1/2 3119 A 3272 1/2 35868 35869 18842  
35870 \$ 5159.07  
CHECK NO.

16-66  
1220

\*\*\*\*\* Five Thousand One Hundred Fifty-Nine and 07/100 \*\*\*\*\*

DATE

Oct 26 04

AMOUNT

\$5,159.07

PAY  
TO THE  
ORDER  
OF

GILA COUNTY TREASURER  
P.O. BOX 1093  
GLOBE, AZ  
85502

⑈018842⑈ ⑆122000661⑆ 14769⑈01525⑈ ⑈0000515907⑈

10/25/04 LA, CA  
122000661 06  
\$5410 S30  
FEDERAL RESERVE NOTE

OCT 22 04

BANK ONE, NA  
1119013314  
10222004

5028 39552

DO NOT WRITE, STAMP OR SIGN BELOW THIS LINE  
RESERVED FOR FEDERAL INSTITUTION USE

PAY TO THE ORDER OF  
BANK ONE, ARIZONA, NA  
PHOENIX, ARIZONA  
122100024  
FOR DEPOSIT ONLY  
GILA COUNTY TREASURER  
11804047

Tonto Basin Water Company  
P.O. Box 82218  
Bakersfield, CA 93380-2218

BANK OF AMERICA  
1440 TRUXTUN AVENUE  
BAKERSFIELD, CA 93301

2154862 19084

CHECK NO.

16-66  
1220

\*\*\*\*\* One Thousand Six Hundred Forty-Five and 08/100 \*\*\*\*\*

DATE

Dec 15 04

AMOUNT

\$1,645.08

FINAL COUNTY TREASURER  
P.O. BOX 729  
FLORENCE, AZ.  
85232-0729

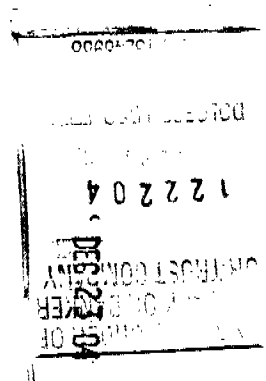
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ORDER  
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*[Signature]*

⑈019084⑈ ⑆122000661⑆ 14769⑈01525⑈ ⑈0000164508⑈

12/24/04 LA, CA  
122000661 06  
E5739 S48 .....0  
7360193405



BANK ONE, NA  
▶1119013314  
12230044  
5440479720

DO NOT WRITE  
6067 77651

COMPANY NAME Tonto Basin Water Company Inc.

YEAR ENDING 12/31/2004

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported 45,719  
Estimated or Actual Federal Tax Liability 0

State Taxable Income Reported 45,719  
Estimated or Actual State Tax Liability 0

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances \_\_\_\_\_  
Amount of Gross-Up Tax Collected \_\_\_\_\_  
Total Grossed-Up Contributions/Advances \_\_\_\_\_

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

  
\_\_\_\_\_  
SIGNATURE

4-29-05  
\_\_\_\_\_  
DATE

Robert T. Hardcastle  
\_\_\_\_\_  
PRINTED NAME

President  
\_\_\_\_\_  
TITLE

RECEIVED

MAY 23 2005

AZ Corporation Commission  
Director Of Utilities

**VERIFICATION  
AND  
SWORN STATEMENT**  
Intrastate Revenues Only

**VERIFICATION**

STATE OF California

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	<b>Kern</b>
NAME (OWNER OR OFFICIAL) TITLE	<b>Robert T. Hardcastle President</b>
COMPANY NAME	<b>Tonto Basin Water Company, Inc.</b>

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2004

**HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.**

**SWORN STATEMENT**

**IN ACCORDANCE WITH THE REQUIREMENT OF TITLE, 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2004 WAS:**

Arizona Intrastate Gross Operating Revenues Only (\$)
\$ 278,892

**(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 17,289  
IN SALES TAXES BILLED, OR COLLECTED)**

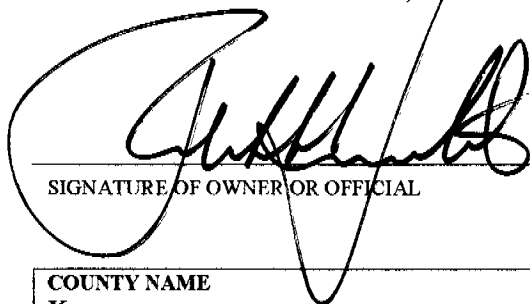
**\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL.)**

**SUBSCRIBED AND SWORN TO BEFORE ME**

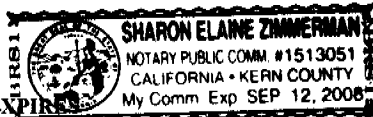
**A NOTARY PUBLIC IN AND FOR THE COUNTY OF**

THIS 29th DAY OF

COUNTY NAME	<b>Kern</b>
MONTH	<u>April</u> 2005

  
SIGNATURE OF OWNER OR OFFICIAL

(SEAL)



MY COMMISSION EXPIRES

  
SIGNATURE OF NOTARY PUBLIC

9-28-08

## **FINANCIAL INFORMATION**

Attach to this annual report a copy of the companies' year-end (Calendar Year 2004) financial statements. If you do not compile these reports, the Utilities Division will supply you with blank financial statements for completion and filing. **ALL INFORMATION MUST BE ARIZONA-SPECIFIC AND REFLECT OPERATING RESULTS IN ARIZONA.**



TONTON BASIN WATER COMPANY 2004  
BALANCE SHEET  
Dec 31 04

Unaudited

ASSETS  
-----

	2004 -----	2003 -----
WATER UTILITY PLANT:		
Utility Plant in Service	25,740.96	44,465.40
Utility Plant in Service	696,266.69	651,801.29
Less: Accum Depreciation & Amortization	(397,575.30)	(374,882.91)
	-----	-----
WATER UTILITY PLANT, NET	324,432.35	321,383.78
OTHER UTILITY ASSETS:		
	-----	-----
TOTAL OTHER UTILITY ASSETS	0.00	0.00
CURRENT & ACCRUED ASSETS:		
Customer Accounts Receivable	4,889.86	5,066.82
Unclaimed Monies	(82.90)	(82.90)
	-----	-----
TOTAL CURRENT & ACCRUED ASSETS	4,806.96	4,983.92
DEFERRED DEBITS:		
Accum Deferred Income Taxes	103,000.00	103,000.00
	-----	-----
TOTAL DEFERRED DEBITS	103,000.00	103,000.00
	-----	-----
TOTAL ASSETS	432,239.31 =====	429,367.70 =====

TONTO BASIN WATER COMPANY 2004  
 Dec 31 04  
 LIABILITIES AND SHAREHOLDERS EQUITY  
 -----

	2004	2003
	-----	-----
EQUITY CAPITAL:		
Retained Earnings	55,398.00	55,398.00
Income from Utility Operations	45,719.30	0.00
Common Stock	276,219.00	276,219.00
Additional Paid in Stock	79,748.00	79,748.00
	-----	-----
TOTAL EQUITY IN PARTNERSHIP	457,084.30	411,365.00
CURRENT ACCRUED LIABILITIES:		
Accounts Payable	5,933.92	4,962.61
Accounts Payable Assoc. Co.	(178,441.53)	(145,150.30)
Customer Deposits	18,037.00	16,477.00
Other Miscellaneous Accruals	25,119.82	24,356.06
	-----	-----
TOTAL CURRENT ACCRUED LIABILITIES	(129,350.79)	(99,354.63)
LONG TERM DEBT:		
Notes Payable-LTerm- Assoc Co	4,062.19	14,756.96
	-----	-----
TOTAL LONG TERM DEBT	4,062.19	14,756.96
DEFERRED CREDITS:		
Advances for Construction	2,228.39	4,151.69
Refundable Meter Advances	53,605.10	51,183.20
	-----	-----
TOTAL DEFERRED CREDITS	55,833.49	55,334.89
CONTRIBUTIONS:		
Contri. In Aid of Construction	82,981.07	82,981.07
Accum.Amortiz. Contri. in Ai	(38,370.95)	(35,715.59)
	-----	-----
TOTAL CONTRIBUTIONS	44,610.12	47,265.48
	-----	-----
TOTAL LIABILITIES & EQUITY	432,239.31	429,367.70
	=====	=====

TONTO BASIN WATER COMPANY 2004  
 UNAUDITED STATEMENT OF INCOME  
 12 PERIODS ENDED Dec 31 04  
 Consolidated Departments

page 1

	LAST YEAR	LAST YTD	CURRENT YEAR	DEC	NOV	OCT	SEP
OPERATING REVENUE:							
Metered Sales - resi	256,990.03	256,990.03	266,902.76	20,598.59	21,407.81	23,301.91	23,917.45
Metered Sales - comm	3,393.47	3,393.47	6,083.29	506.23	671.24	549.54	468.62
Establishment Charge	3,155.50	3,155.50	3,086.50	410.00	250.00	220.00	135.00
Late Fees	1,287.49	1,287.49	1,375.07	120.24	77.65	120.21	130.59
Misc. Service Revenu	0.00	0.00	1,444.63	0.00	0.00	0.00	328.54
TOTAL OPERATING R	264,826.49	264,826.49	278,892.25	21,635.06	22,406.70	24,191.66	24,980.20
OPERATING EXPENSES:							
SOURCE OF SUPPLY:							
OPERATIONS:							
Purchased power	15,537.25	15,537.25	15,558.66	1,188.79	762.27	1,482.64	1,559.47
SUBTOTAL	15,537.25	15,537.25	15,558.66	1,188.79	762.27	1,482.64	1,559.47
MAINTENANCE:							
Salaries & Wages-	111.42	111.42	0.00	0.00	0.00	0.00	0.00
SUBTOTAL	111.42	111.42	0.00	0.00	0.00	0.00	0.00
TOTAL SOURCE O	15,648.67	15,648.67	15,558.66	1,188.79	762.27	1,482.64	1,559.47

TONTO BASIN WATER COMPANY 2004  
 UNAUDITED STATEMENT OF INCOME  
 12 PERIODS ENDED Dec 31 04  
 Consolidated Departments

page 2

	LAST YEAR	LAST YTD	CURRENT YEAR	DEC	NOV	OCT	SEP
(continued)							
WATER TREATMENT:							
OPERATIONS:							
Chemicals	3,137.67	3,137.67	3,455.41	246.72	120.50	329.62	353.99
Regulatory Water	4,684.41	4,684.41	5,224.30	72.50	60.00	3,349.30	72.50
SUBTOTAL	7,822.08	7,822.08	8,679.71	319.22	180.50	3,678.92	426.49
MAINTENANCE:							
Sal. & Wages-empl	1,509.67	1,509.67	981.49	66.61	165.53	152.08	31.22
Materials & suppl	0.00	0.00	50.43	0.00	0.00	0.00	0.00
Regulatory Water	0.00	0.00	20.00	0.00	0.00	0.00	20.00
SUBTOTAL	1,509.67	1,509.67	1,051.92	66.61	165.53	152.08	51.22
TOTAL WATER TR	9,331.75	9,331.75	9,731.63	385.83	346.03	3,831.00	477.71
TRANSMISSION & DISTRIBUTION:							
OPERATIONS:							
Storage Tanks	0.00	0.00	2,539.24	0.00	0.00	0.00	0.00
Contractual servi	0.00	0.00	300.00	0.00	0.00	0.00	0.00
SUBTOTAL	0.00	0.00	2,839.24	0.00	0.00	0.00	0.00
MAINTENANCE:							
Salaries & Wages	11,117.35	11,117.35	19,925.31	275.32	235.35	1,455.29	538.67
Materials & suppl	8,642.50	8,642.50	4,201.78	1,046.70	613.21	69.03	(78.80)
Rental of equipme	1,193.68	1,193.68	0.00	0.00	0.00	0.00	0.00
Transportation ex	0.00	0.00	633.28	0.00	0.00	0.00	0.00
SUBTOTAL	20,953.53	20,953.53	24,760.37	1,322.02	848.56	1,524.32	459.87
TOTAL TRANSMIS	20,953.53	20,953.53	27,599.61	1,322.02	848.56	1,524.32	459.87
CUSTOMER ACCOUNTS:							
OPERATIONS :							
Sal. & Wages - em	2,208.67	2,208.67	2,730.77	97.70	48.86	84.16	169.33
Materials and Sup	0.00	0.00	61.15	0.00	0.00	0.00	61.15
Contractual serv.	3,263.52	3,263.52	4,309.85	173.25	397.60	390.70	347.20
TOTAL CUSTOMER	5,472.19	5,472.19	7,101.77	270.95	446.46	474.86	577.68

TONTO BASIN WATER COMPANY 2004  
 UNAUDITED STATEMENT OF INCOME  
 12 PERIODS ENDED Dec 31 04  
 Consolidated Departments

page 3

	LAST YEAR	LAST YTD	CURRENT YEAR	DEC	NOV	OCT	SEP
(continued)							
ADMINISTRATIVE & GENERAL:							
OPERATIONS:							
Sal. & Wages- emp	24,311.67	24,311.67	31,220.17	7,479.47	1,948.00	3,001.27	2,269.39
Employee pensions	2,160.31	2,160.31	0.00	0.00	0.00	0.00	0.00
Purchased Power	3,811.49	3,811.49	4,298.16	320.46	390.98	497.74	483.54
Contract Serv.-Ac	16,457.62	16,457.62	18,285.56	1,635.43	1,599.87	1,622.50	1,635.35
Contractual serv.	840.00	840.00	0.00	0.00	0.00	0.00	0.00
Contractual serv.	21,944.47	21,944.47	24,237.37	2,400.51	2,232.59	1,665.00	1,665.00
Contractual serv.	500.00	500.00	450.70	195.00	0.00	0.00	0.00
Overhead Allocati	22,371.79	22,371.79	24,545.06	1,996.23	2,224.74	2,141.57	1,911.20
Transportation ex	3,005.25	3,005.25	2,988.91	56.00	94.00	162.00	152.92
Lodging	0.00	0.00	651.56	0.00	0.00	0.00	0.00
Ins. - wrkmn's co	901.20	901.20	904.25	135.00	57.41	106.74	61.98
Ins. -medical/den	4,772.50	4,772.50	4,658.73	371.51	371.51	399.11	406.38
Telephone	60.85	60.85	0.00	0.00	0.00	0.00	0.00
Bad Debt Expense	1,982.03	1,982.03	3,094.41	0.00	0.05	175.06	1,307.19
Write Offs	552.89	552.89	0.00	0.00	0.00	0.00	0.00
Office Supplies	23.25	23.25	0.00	0.00	0.00	0.00	0.00
Licenses & Permit	718.98	718.98	384.31	0.00	0.00	0.00	0.00
State Sales Tax	16,509.51	16,509.51	17,288.74	1,336.44	1,398.14	1,508.99	1,538.66
Utility regulator	0.00	0.00	529.65	0.00	0.00	0.00	0.00
Property taxes	12,826.35	12,826.35	13,608.30	1,720.50	1,134.03	1,134.03	1,068.86
Other taxes & Lic	143.82	143.82	90.00	0.00	45.00	0.00	0.00
TOTAL ADMINIST	133,893.98	133,893.98	147,235.88	17,646.55	11,496.32	12,414.01	12,500.47
SERVICE ORDERS:							
OPERATIONS:							
Sal. & Wages - em	3,888.36	3,888.36	4,115.17	173.66	466.37	468.21	764.21
TOTAL SERVICE	3,888.36	3,888.36	4,115.17	173.66	466.37	468.21	764.21
TOTAL OPERATIONS	166,613.86	166,613.86	185,530.43	19,599.17	13,351.92	18,518.64	15,828.32
TOTAL MAINTENANCE	22,574.62	22,574.62	25,812.29	1,388.63	1,014.09	1,676.40	511.09
TOTAL OPERATIONS & M	189,188.48	189,188.48	211,342.72	20,987.80	14,366.01	20,195.04	16,339.41
PROVISION FOR DEPREC	18,913.73	18,913.73	20,037.03	1,697.32	1,683.72	1,666.33	1,687.40
INCOME (LOSS) FROM OPE	56,724.28	56,724.28	47,512.50	(1,050.06)	6,356.97	2,330.29	6,953.39
OTHER INCOME <EXPENSE>:							
Interest Expenses	(2,671.09)	(2,671.09)	(1,793.20)	(127.56)	(139.71)	(138.70)	(128.19)
TOTAL OTHER INCOME <	(2,671.09)	(2,671.09)	(1,793.20)	(127.56)	(139.71)	(138.70)	(128.19)
NET INCOME (LOSS)	54,053.19	54,053.19	45,719.30	(1,177.62)	6,217.26	2,191.59	6,825.20